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COMMODITY CREDIT CORPORATION

INSTRUCTIONS CONCERNING LOANS ON 1939 CORN

Commodity Credit Corporation has authorized the making of loans and the purchase of eligible paper secured by corn stored on farms in certain areas. These instructions state the requirements of Commodity Credit Corporation with reference to making such loans on corn and the purchase of notes secured by corn.

1. Definitions.—For the purpose of these instructions and the notes and mortgages relating thereto, the following terms shall be construed, respectively, to mean:

- (a) **Eligible producer.**—(For each farm as determined by the county agricultural conservation committee in accordance with the provisions of the 1939 Agricultural Conservation Program.)
- (1) For counties listed in section 2(a) hereof (1939 commercial corn area), an eligible producer shall be any person, partnership, association, or corporation producing corn as landowner, landlord, or tenant, upon whose farm the 1939 field-corn acreage planted does not exceed the 1939 corn acreage allotment established for the farm pursuant to Title III of the Agricultural Adjustment Act of 1938, as amended.
 - (2) For counties listed in section 2(b) hereof, an eligible producer shall be any person, partnership, association, or corporation producing corn as landowner, landlord, or tenant, upon whose farm the 1939 total acreage of soil-depleting crops does not exceed the 1939 total acreage allotment for soil-depleting crops established for the farm pursuant to the provisions of the 1939 Agricultural Conservation Program.
- (b) **Eligible corn.**—Eligible corn shall be merchantable field corn produced in 1939 in the areas listed under section 2(a) and section 2(b) hereof, husked and in the ear, containing not more than 20½ percent moisture and which otherwise grades No. 3 or better, as defined in the official grain standard of the United States on the basis of a representative sample taken from each crib of corn offered as collateral for a loan, provided that:
- (1) The beneficial title to such corn is and always has been in the eligible producer; or
 - (2) Such corn was purchased in accordance with the following: An eligible producer who will operate a different farm in 1940 from that operated in 1939 may purchase corn from an eligible producer and place such corn under a loan. The number of bushels of such purchased corn which may be placed under loan by such producer shall not exceed the number of bushels of corn produced by the producer on the farm operated by him as an eligible producer in 1939.
- (c) **Eligible storage** shall consist of cribs which are of such substantial and permanent construction as to afford protection against rodents, other animals, thieves, and weather, for a period of 2 years, as determined by the County Agricultural Conservation Committee. Loans on corn in farm storage will be available only for those areas listed in sections 2(a) and 2(b) hereof.
- (d) **Lending agency.**—Any bank, cooperative marketing association, or other corporation, partnership, or person, making loans in accordance with these instructions upon 1939 C. C. C. Corn Form A, secured by chattel mortgages on 1939 C. C. C. Corn Form A-1 which has executed the contract to purchase on 1939 C. C. C. Corn Form D.
- (e) **Eligible paper.**—For the purpose of the Contract to Purchase (1939 C. C. C. Corn Form D) eligible paper shall consist of notes of producers upon 1939 C. C. C. Corn Form A secured by chattel mortgages on 1939 C. C. C. Corn Form A-1, which have been duly filed of record and the original or a copy of which is on file in the office of the County Agricultural Conservation Association. All such chattel mortgages securing such notes must be filed of record prior to April 1, 1940. (Notes executed by an administrator, executor, or trustee will be accepted only where valid in law, unless accompanied by a repurchase agreement of the lending agency.)

2. **Corn areas.**—(a) **1939 commercial corn area:**

Illinois.—All counties except Jefferson, Franklin, and Williamson.

Indiana.—All counties except Brown, Clark, Crawford, Floyd, Harrison, Jefferson, Monroe, Ohio, Perry, and Switzerland.

Iowa.—All counties.

Kansas.—Anderson, Atchison, Brown, Coffey, Doniphan, Douglas, Franklin, Jackson, Jefferson, Jewell, Johnson, Leavenworth, Linn, Marshall, Miami, Nemaha, Norton, Osage, Phillips, Pottawatomie, Republic, Riley, Shawnee, Smith, and Washington.

Kentucky.—Ballard, Carlisle, Davies, Fulton, Henderson, Hickman, Union, and Webster.

Michigan.—Branch, Calhoun, Cass, Hillsdale, Jackson, Kalamazoo, Lenawee, Monroe, St. Joseph, Washtenaw, and Wayne.

Minnesota.—Big Stone, Blue Earth, Brown, Carver, Chippewa, Cottonwood, Dakota, Dodge, Faribault, Fillmore, Freeborn, Goodhue, Grant, Houston, Jackson, Kandiyohi, Lac qui Parle, Le Sueur, Lincoln, Lyon, McLeod, Martin, Meeker, Mower, Murray, Nicollet, Nobles, Olmsted, Pipestone, Redwood, Renville, Rice, Rock, Scott, Sibley, Steele, Stevens, Swift, Traverse, Wabasha, Waseca, Watonwan, Winona, Wright, and Yellow Medicine.

Missouri.—Adair, Andrew, Atchison, Audrain, Bates, Benton, Boone, Buchanan, Caldwell, Callaway, Cape Girardeau, Carroll, Cass, Chariton, Clark, Clay, Clinton, Cooper, Daviess, DeKalb, Dunklin, Gentry, Grundy, Harrison, Henry, Holt, Howard, Jackson, Johnson, Knox, Lafayette, Lewis, Lincoln, Linn, Livingston, Macon, Marion, Mercer, Mississippi, Moniteau, Monroe, Montgomery, New Madrid, Nodaway, Pemiscot, Perry, Pettis, Pike, Platte, Putnam, Ralls, Randolph, Ray, St. Charles, St. Clair, Saline, Schuyler, Scotland, Scott, Shelby, Stoddard, Vernon, and Worth.

Nebraska.—All counties except Arthur, Banner, Blaine, Box Butte, Boyd, Brown, Cherry, Cheyenne, Dawes, Deuel, Dundy, Garden, Garfield, Grant, Holt, Hooker, Keith, Keyapaha, Kimball, Logan, Loup, McPherson, Morrill, Rock, Scotts Bluff, Sheridan, Sioux, Thomas, and Wheeler.

Ohio.—All counties except Ashtabula, Athens, Belmont, Carroll, Columbiana, Cuyahoga, Gallia, Geauga, Guernsey, Harrison, Hocking, Jackson, Jefferson, Lake, Lawrence, Mahoning, Meigs, Monroe, Morgan, Noble, Portage, Stark, Summit, Trumbull, Tuscarawas, Vinton, Washington.

South Dakota.—Bon Homme, Brookings, Clay, Deuel, Grant, Hanson, Hutchinson, Kingsbury, Lake, Lincoln, McCook, Minnehaha, Moody, Roberts, Turner, Union, and Yankton.

Wisconsin.—Columbia, Crawford, Dane, Grant, Green, Iowa, Jefferson, Lafayette, Richland, Rock, Sauk, and Walworth.

(b) **Noncommercial corn area:**

Colorado.—All counties.

Illinois.—Franklin, Jefferson, and Williamson.

Indiana.—Brown, Clark, Crawford, Floyd, Harrison, Jefferson, Monroe, Ohio, Perry, and Switzerland.

Kansas.—Allen, Barber, Barton, Bourbon, Butler, Chase, Chautauqua, Cherokee, Cheyenne, Clark, Clay, Cloud, Comanche, Cowley, Crawford, Decatur, Dickinson, Edwards, Elk, Ellis, Ellsworth, Finney, Ford, Geary, Gove, Graham, Grant, Gray, Greeley, Greenwood, Hamilton, Harper, Harvey, Haskell, Hodgeman, Kearny, Kingman, Kiowa, Labette, Lane, Lincoln, Logan, Lyon, McPherson, Marion, Meade, Mitchell, Montgomery, Morris, Morton, Neosho, Ness, Osborne, Ottawa, Pawnee, Pratt, Rawlins, Reno, Rice, Rooks, Rush, Russell, Saline, Scott, Sedgwick, Seward, Sheridan, Sherman, Stafford, Stanton, Stevens, Sumner, Thomas, Trego, Wabaunsee, Wallace, Wichita, Wilson, Woodson, and Wyandotte.

Kentucky.—All counties except Ballard, Carlisle, Davies, Fulton, Henderson, Hickman, Union, and Webster.

Michigan.—All counties except Branch, Calhoun, Cass, Hillsdale, Jackson, Kalamazoo, Lenawee, Monroe, St. Joseph, Washtenaw, and Wayne.

Minnesota.—Aitkin, Anoka, Becker, Beltrami, Benton, Carlton, Cass, Chisago, Clay, Clearwater, Cook, Crow Wing, Douglas, Hennepin, Hubbard, Isanti, Itasca, Kanabec, Kittson, Koochiching, Lake, Lake of the Woods, Mahnomen, Marshall, Mille Lacs, Morrison, Norman, Otter Tail, Pennington, Pine, Polk, Pope, Ramsey, Red Lake, Roseau, St. Louis, Sherburne, Stearns, Todd, Wadena, Washington, and Wilkin.

Missouri.—Barry, Barton, Bollinger, Butler, Camden, Carter, Cedar, Christian, Cole, Crawford, Dade, Dallas, Dent, Douglas, Franklin, Gasconade, Greene, Hickory, Howell, Iron, Jasper, Jefferson, Lacled, Lawrence, McDonald, Madison, Maries, Miller, Morgan, Newton, Oregon, Osage, Ozark, Phelps, Polk, Pulaski, Reynolds, Ripley, St. Francois, St. Louis, Ste. Genevieve, Shannon, Stone, Sullivan, Taney, Texas, Warren, Washington, Wayne, Webster, and Wright.

Nebraska.—Arthur, Banner, Blaine, Box Butte, Boyd, Brown, Cherry, Cheyenne, Dawes, Deuel, Dundy, Garden, Garfield, Grant, Holt, Hooker, Keith, Keyapaha, Kimball, Logan, Loup, McPherson, Morrill, Rock, Scotts Bluff, Sheridan, Sioux, Thomas, and Wheeler.

North Dakota.—All counties.

Ohio.—Ashtabula, Athens, Belmont, Carroll, Columbiana, Cuyahoga, Gallia, Geauga, Guernsey, Harrison, Hocking, Jackson, Jefferson, Lake, Lawrence, Mahoning, Meigs, Monroe, Morgan, Noble, Portage, Stark, Summit, Trumbull, Tuscarawas, Vinton, and Washington.

South Dakota.—Armstrong, Aurora, Beadle, Bennett, Brown, Brule, Buffalo, Butte, Campbell, Charles Mix, Clark, Codington, Corson, Custer, Davison, Day, Dewey, Douglas, Edmunds, Fall River, Faulk, Gregory, Haakon, Hamlin, Hand, Harding, Hughes, Hyde, Jackson, Jerauld, Jones, Lawrence, Lyman, McPherson, Marshall, Meade, Mellette, Miner, Pennington, Perkins, Potter, Sanborn, Shannon, Spink, Stanley, Sully, Todd, Tripp, Walworth, Washabaugh, Washington, and Ziebach.

Wisconsin.—All counties except Columbia, Crawford, Dane, Grant, Green, Iowa, Jefferson, Lafayette, Richland, Rock, Sauk, and Walworth.

Wyoming.—All counties.

3. Amount.—Loans will be made on eligible corn to eligible producers in accordance with the following provisions:

Loans will be made at the rate of fifty-seven cents (57¢) per bushel for corn produced in the "Commercial Corn Area" (listed in section 2(a) hereof) and at the rate of forty-three cents (43¢) per bushel for corn produced in the "Noncommercial Corn Area" (listed in section 2(b) hereof), except that, in the case of corn classified as "Mixed Corn," the rate shall be 2 cents less per bushel. A bushel shall be determined by using not less than $2\frac{1}{2}$ cubic feet of ear corn testing not more than $15\frac{1}{2}$ percent in moisture content. A deduction from the number of bushels so computed will be made for moisture content in excess of $15\frac{1}{2}$ percent in accordance with the following schedule.

Moisture content Percent	Deduction Percent	Moisture content Percent	Deduction Percent
15½ to 16½	2	18½ to 19½	8
16½ to 17½	4	19½ to 20½	10
17½ to 18½	6	Above 20½	no loan

4. Maturity and interest rate.—Loans will be available from December 1, 1939, to March 31, 1940, inclusive, and all chattel mortgages must be filed of record within such period. All loans mature on August 1, 1940; bear interest at the rate of three percent (3%) per annum. Producers must agree to store the pledged corn until October 15, 1940.

5. Farm storage.—The County Agricultural Conservation Committees will supervise the inspection of storage structures, measuring, and sealing the corn by an inspector, and will arrange for moisture testing of samples. Chattel mortgages covering the corn must be executed, and filed in accordance with the applicable State law. Producers may obtain information and assistance from the County Agricultural Conservation Committee in regard to the execution and filing of such chattel mortgages. Where the borrower is a tenant, the expiration date of the lease must be given in section 2(c) of the chattel mortgage. If the expiration date of the lease is prior to October 15, 1940, the landlord shall execute the Consent for Storage, Section 9 of 1939 C. C. C. Corn Form A-1. The consent agreement must also be signed by any other party or parties entitled to possession of the farm prior to October 15, 1940. Each producer must agree to shell and deliver the mortgaged corn to a shipping point designated by the holder of the note which is reasonably convenient to the producer.

6. Execution and filing of chattel mortgages.—All chattel mortgages will be prepared in triplicate, and the original or duplicate copy shall be filed for record in accordance with the respective State laws. The receipt of the recorder, register of deeds, county clerk, auditor, or similar authorized county official, must be completed and executed on one copy of the mortgage to indicate the date of filing or recordation; such copy to be held in the office of the county association. In those instances in which chattel mortgages must be filed in both the county in which the mortgagor resides and in the county in which the corn is stored, the triplicate copy of the mortgage must be used for this purpose and an additional receipt from the county official typed or stamped on the copy of the mortgage held in the office of the county association. Except where required for filing, the triplicate copy of the mortgage with the duplicate copy of the note should be delivered to the mortgagor. In case the triplicate copy is used for filing, the mortgagor should be given a copy of the mortgage which may be completed on any one copy of the form. A separate mortgage must be completed for corn stored on each quarter section.

All documents must be carefully examined as to compliance with the following requirements:

Colorado.—The mortgage must be executed and acknowledged by the mortgagor. The original or a duplicate copy thereof must be filed for record in the office of the clerk and recorder of the county in which the corn is stored.

Illinois.—The mortgage must be executed and acknowledged by the mortgagor. The original mortgage must be endorsed by the mortgagee or his agent as follows: "This mortgage to be filed but not recorded," and filed for record within 10 days from the date of execution in the office of the recorder of deeds of the county in which the mortgagor resides, or, if a nonresident of the State, in the office of the recorder of deeds of the county in which the corn is stored. Commodity Credit Corporation will not accept any note secured by mortgage filed for record later than 10 days after the date of the note and mortgage.

Indiana.—The mortgage must be executed and acknowledged by the mortgagor. The original mortgage must be filed for record in the office of the recorder of the county in which the mortgagor resides, or, if a nonresident of the State, in the office of the recorder of the county in which the corn is stored.

Iowa.—The mortgage must be executed and acknowledged by the mortgagor and spouse. The original or a duplicate copy must be filed for record in the office of the recorder of the county in which the mortgagor resides, or, if a nonresident of the State, in the office of the recorder of the county in which the corn is stored.

Kansas.—The mortgage must be executed by the mortgagor and spouse. The original or a duplicate copy must be filed for record immediately upon the execution of the mortgage in the office of the register of deeds of the county in which the mortgagor resides, or, if a nonresident of the State, in the office of the register of deeds of the county in which the corn is stored. Commodity Credit Corporation will not accept any note secured by mortgage filed for record later than 10 days after the date of the note and mortgage.

Kentucky.—The mortgage must be executed by the mortgagor either in the presence of two witnesses or it must be acknowledged before an officer qualified to take acknowledgments. The original or a duplicate copy of the mortgage must be filed for record in the office of the county clerk of the county in which the mortgagor resides, or, if the mortgagor is a nonresident of the State, it must be filed for record in the office of the county clerk of the county in which the corn is stored.

Michigan.—The mortgage must be executed by the mortgagor. The mortgagor's affidavit of good faith and receipt on such mortgage must be completed by the mortgagor. The original or a duplicate copy of the mortgage must be filed for record in the office of the register of deeds of the county in which the corn is stored. If the mortgagor resides in another county within the State, the triplicate copy of the mortgage must be certified as a true copy and filed for record in the office of the register of deeds of such county.

Minnesota.—The chattel mortgage must be executed by the mortgagor in the presence of two witnesses and duly acknowledged. The original chattel mortgage must be filed in the office of the register of deeds of the county in which the property is situated, unless the property is situated in cities of the first class, whereupon the chattel mortgage must be filed in the office of the clerk of the municipality where the property is situated. A full, true, and correct copy of the chattel mortgage must be delivered to the mortgagor whose receipt therefor is contained in the body of the mortgage.

Missouri.—The mortgage must be executed and acknowledged by the mortgagor. The original or a duplicate copy of the mortgage must be filed for record in the office of the recorder of deeds of the county in which the mortgagor resides, or, if a nonresident of the State, in the office of the recorder of deeds of the county in which the corn is stored.

Nebraska.—The mortgage must be executed by the mortgagor. The original or a duplicate copy of the mortgage must be filed for record in the office of the county clerk of the county in which the mortgagor resides, or, if a nonresident of the State, in the office of the county clerk of the county in which the corn is stored.

North Dakota.—The mortgage must be signed by the mortgagor and spouse in the presence of two witnesses who must sign the same as witnesses thereto, or must be acknowledged before some official qualified to take acknowledgments. The mortgagor's receipt for copy of mortgage must be signed by the mortgagor and spouse and attached to the mortgage and must accompany the mortgage when presented for filing and be filed therewith. The original mortgage with receipt for copy attached thereto must be filed in the office of the register of deeds in the county in which the property is situated.

Ohio.—The mortgage must be executed by the mortgagor. The mortgagee's affidavit of good faith must be completed by the payee except in the case of direct loans, in which event it must be completed by a member of the county committee as agent of Commodity Credit Corporation. The original or a duplicate copy must be filed in the office of the county recorder of the county in which the mortgagor resides, or, if a nonresident of the State, in the office of the county recorder of the county in which the corn is stored.

South Dakota.—The chattel mortgage must be signed by the mortgagor in the presence of two persons who must sign as witnesses thereto, or it may be acknowledged before some officer qualified by the laws of the State of South Dakota to take acknowledgments. The original chattel mortgage, or an authenticated copy thereof, must be filed in the office of the register of deeds of the county where the property mortgaged, or any part thereof, is situated. A full, true, and complete copy of the mortgage must be delivered to the mortgagor, whose receipt therefor is contained in the body of the mortgage.

Wisconsin.—The chattel mortgage must be executed by the mortgagor and spouse in the presence of two witnesses. The original mortgage must be filed with the register of deeds in the county in which the property is located.

Wyoming.—The mortgage must be executed and acknowledged by the mortgagor. The original or a duplicate copy must be filed for record in the office of the register of deeds in the county in which the corn is stored.

7. Liens.—The corn collateral must be free and clear of all liens except in favor of the lienholders listed in the space provided therefor in 1939 C. C. C. Corn Form A-1. The names of the holders of all existing liens on the pledged or mortgaged corn, such as landlord, laborers, or mortgagees, must be listed in the space provided therefor in the mortgage. The waiver and consent to pledge or mortgage the corn and the payment of the proceeds of the loan and the proceeds of the sale of the corn solely to the producer as contained in the mortgage or in 1939 C. C. C. Corn Form AB must be signed personally by all lienholders listed or by their agents; or, if corporations, by the designated officer thereof customarily authorized to execute such instruments. The producer may direct in the Letter of Transmittal (1939 C. C. C. Corn Form B) that the proceeds check be made payable to him and/or such other person or concern as he may direct thereon. Producers should read carefully all real estate or other mortgages previously given by them in order to be sure that crops are not covered thereby. Any fraudulent misrepresentation of fact made in the execution of the note and mortgage and related forms shall render the producer personally liable for the amount of the loan and subject to the provisions of the United States Criminal Code.

8. Insurance:

- (a) All producers shall provide insurance on the corn for not less than the amount of the loan with accrued interest for one year. Such insurance shall be evidenced by a certificate substantially in the form printed at the end hereof, issued by a company or association licensed to do business in the State in which the corn is stored. The insurance coverage may be obtained through the customary channels and the form of certificate required shall be furnished by the agent writing same.
- (b) **Insurance carried by Commodity Credit Corporation.**—In addition to the foregoing, Commodity Credit Corporation has obtained a blanket insurance policy which covers any loss by or in consequence of damage to or destruction of the pledged or mortgaged corn arising from fire, lightning, inherent explosion, cyclone, tornado, windstorm, hail, theft, wrongful conversion, and flood. This policy covers errors and omissions and is in the nature of excess insurance. The cost of such insurance is payable to the county committee and will be included as a part of the service fee. This insurance covers all lending agencies and the equity of the producers for any loss from flood or theft.

9. Producer responsibility.—The note and mortgage govern the responsibility of the producer and should be read carefully. In case the producer delivers the corn collateral in payment of his loan he shall deliver a quantity of shelled corn grading No. 3 or better corresponding to the number of bushels upon which the loan was computed. It is important that the producer place his corn in good storage structures and maintain such structures in good repair and protect the corn collateral against damage from weather, rodents, and insects. In those areas subject to insect infestation careful supervision must be maintained and infestation reported immediately to the county committee. Producers in the southernmost counties of the Commercial Corn Area must be prepared to shell, store, and fumigate their corn in tight bins when so instructed by Commodity Credit Corporation.

10. County agricultural conservation committees.—1939 C. C. C. Corn Form A-1 provides for an approval by the county committee which should not bear a date prior to the date of the mortgage and which must be signed in each instance by a member of a county agricultural conservation committee of the county in which the corn is stored. When a producer stores corn for a loan in a county other than the county in which the corn was produced, the committee for the county where the corn is stored must secure a written certification of eligibility from the county committee where the corn was produced before certifying the loan.

11. Preparation of documents.—Loan documents will be prepared by county agricultural conservation committee. All blanks in 1939 C. C. C. Corn Forms A and A-1 must be filled in with ink, typewriter, or indelible pencil, and no documents containing additions, alterations, or erasures will be accepted by Commodity Credit Corporation.

12. Direct loans.—It is contemplated that loans will be obtained from banks and other local lending agencies, which, in turn, may sell the notes evidencing such loans to Commodity Credit Corporation. Producers may also obtain loans directly from Commodity Credit Corporation. Notes for direct loans shall be made payable to Commodity Credit Corporation and shall be delivered to the Chicago Loan Agency of the Reconstruction Finance Corporation. Paper for direct loans tendered by mail, in person, or otherwise, should be accompanied by a Producer's Letter of Transmittal on 1939 C. C. C. Corn Form B, in duplicate, and must be delivered or postmarked prior to April 1, 1940. The triplicate copy of this letter shall be retained by the producer as a memorandum. Upon delivery of all necessary documents properly executed and upon approval of the loan by the manager of the Loan Agency, payment shall be made pursuant to the Letter of Transmittal.

13. Purchase of loans.—Commodity Credit Corporation will purchase, without recourse, eligible paper, as defined above, only from lending agencies which have executed and delivered to the Chicago Loan Agency of Reconstruction Finance Corporation Contract to Purchase, 1939 C. C. C. Corn Form D, obtainable only from that agency. Notes held by lending agencies must be tendered to the Chicago Loan Agency of Reconstruction Finance Corporation prior to July 1, 1940. The purchase price to be paid by Commodity Credit Corporation for notes accepted will be the face amount of such notes plus accrued interest from the respective dates to the date of payment of the purchase price at the rate of 1½ percent per annum. Under the terms of the Contract to Purchase, lending agencies are required to report monthly on 1939 C. C. C. Corn Form E all payments or collections on producer's notes held by them, and to remit promptly to Commodity Credit Corporation, Washington, D. C., an amount equivalent to one and one-half percent (1½%) interest per annum on the principal amount collected from the date of the note to the date of payment.

14. Release of collateral held by Commodity Credit Corporation.—A producer may obtain the return of notes secured by corn upon his request in writing and payment of the principal amount due thereon with accrued interest and proper charges. The producer's note will be transmitted to an approved bank with instructions to deliver such note to the producer, or his agent, upon the payment of the full amount due thereon with accrued interest and proper charges. Where such note is sent to an approved bank for collection, instructions shall be given to return the note to the sender if payment and release are not effected within 15 days. All charges and expenses of the collecting bank shall be paid by the producer. County agricultural conservation committees will be requested to release the mortgage of record after payment in full either by the filing of an instrument of release or by a margin release on the county records. Partial release of collateral will not be permitted.

If the producer's note is made payable directly to Commodity Credit Corporation and he desires to obtain the release of collateral upon payment, as aforesaid, he should notify the Chicago Loan Agency of Reconstruction Finance Corporation. If his note was made payable to a payee other than Commodity Credit Corporation, the producer should notify the payee named therein.

CERTIFICATE OF INSURANCE

CORN IN FARM STORAGE

Certificate No. _____

Amount . . . \$-----

Premium . . . -----

Term _____

Agency at _____

1. THIS CERTIFIES that in consideration of _____ dollars premium (subject to all the terms and conditions of Open Policy No. _____ issued by this company or association) _____ does insure _____ (Company or association) against all direct loss or damage by fire, lightning, windstorm, cyclone, tornado, and hail* in the sum of _____ dollars on _____ bushels of corn stored and sealed in the possession of the assured in structure(s) situated on the _____ quarter of section _____ township _____, range _____, county of _____, State of _____, for the term of one (1) year from the _____ day of _____, 19_____, at 12 o'clock noon, to the _____ day of _____, 19_____, at 12 o'clock noon, said structure(s) having been inspected and sealed in accordance with regulations issued by the Secretary of Agriculture pursuant to the Agricultural Adjustment Act of 1938, as amended.

2. Any loss which may be ascertained and proved to be due the insured under this contract shall be payable to the insured and/or the holder of note secured by such corn as their respective interests may appear.

SPECIAL (CORN) ENDORSEMENT PROVIDING THE BASIS OF ADJUSTMENT IN CASE OF LOSS ON CORN MORTGAGED UNDER LOAN PROGRAM OF COMMODITY CREDIT CORPORATION

3. All or any part of the corn described herein having been mortgaged as security for a loan on any form approved by Commodity Credit Corporation, it is a condition of this insurance that in event of loss or damage to any of such mortgaged corn the basis of adjustment shall be the actual cash market value at the time and place of the loss, except that if such actual cash market value is less than the loan value per bushel, plus accrued interest at three percent (3%) per annum, then such actual cash market value shall be disregarded and the value of any corn so mortgaged shall be deemed to be the loan value per bushel plus accrued interest thereon. In the event all or any portion of such corn grades No. 3 or better, such corn may be resealed as collateral in suitable farm storage structures or transferred to an approved warehouse for storage. No loss will be claimed on such corn by the insured, provided delivery of the corn is made at the designated delivery point and settlement is made with the insured for storage charges until maturity date of the note at the rate of one cent (1¢) per bushel per month or part thereof.

4. The provisions of section 3 hereof shall attach and apply only so long as the note secured by the corn described herein is outstanding.

5. IN WITNESS WHEREOF, this company or association has executed and attested these presents, but this certificate shall not be valid until countersigned by a duly authorized agent of this company or association.

Countersigned:

*Secretary.**President.*

This _____ day of _____, 19_____

(Agent)

* Optional.

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